

**ANSWERS TO ADDITIONAL QUESTIONS SUBMITTED BY THE
SELECT BOARD
IN PREPARATION FOR THE MEETING
October 25, 2008**

**Larry Shaffer, Town Manager
October 24, 2008**

1. *What incentives do departments have to save money or to bring in more money?*

There are no external benefits provided to departments to either generate additional revenue or to create efficiencies to reduce cost. Although there are budgetary systems that allow for great flexibility in capturing and spending new revenue, no such formal system exists in Amherst. Such programs are difficult to implement in traditional, top down budgetary systems. The Town relies upon a value system within the departments that emphasizes the need to generate new revenue from sources other than the property tax and to continually seek efficiencies in order to apply those funds to more productive uses. Increases in revenue from sources other than property taxes are an ongoing process and well as seeking efficiencies in the delivery of services.

2. *Is there enough money in the various budgets for appropriate on-site and off-site training of both personnel and volunteers (e.g., Planning Board CPTC, Conservation Commissioners MACC, Select Board, MMA, etc.)?*

No, there is not enough time or funds available for adequate training. One of the critical components associated with improving productivity is training. Without it, we ask people to bring their skill set, regardless of how the challenges may change, to bear upon the issues before us. Our biggest operational investment is in people (payroll and benefits) and it makes a great deal of sense to ensure that the investment we are making in people is maximized by appropriate training.

3. *Have you given consideration to the study from several years ago regarding reorganization of the Bangs Center?*

The Letcher Report was not a study in the traditional sense. It was simply a gathering of certain topical information into a power point presentation. I have been considering certain moves at the Bang Center to include moving the Community Development Department to Town Hall. I am happy to discuss certain goals with each of the departments at the Bangs Center but fundamentally, I think that each department should explore opportunities for increased productivity and implement those changes before consolidation is considered.

4. *Describe any “chargebacks” from one department to another that you have considered charging that are not being charged now.....Where does the Middle School pool/Amherst Community Aquatics Center fit in to this?*

Sound cost accounting requires that each program demonstrate the actual cost to conduct that program. To the degree that all costs are not accurately reflected into the appropriate budget, is to the degree that managers and policy formulators can not accurately evaluate the true cost of the program. Presently, the LSSE Department is undergoing an examination of all of its programs to take into consideration the cost of items not reflected in LSSE programs. Those costs are typically building/facility and grounds cost. Once those costs are calculated and added into the existing expense, and accurate cost per program and per participant can be calculated. That will be very important as the evaluation of programs moves forward. The cost/revenue of each program will be evaluated against priorities to attain an appropriate mix between programs that are essential to health and safety (swimming) and those programs that may or may not produce sufficient revenue to support programs of a higher priority.

Chargebacks are a “left” pocket, “right” issue in that there is little opportunity for cost savings. Someone must mow the athletic fields and it is of little financial consequence if the cost is to be found in the school district, LSSE or DPW. What is important, however, is the ability to evaluate the true cost of programs so that an accurate assessment of its worth might be calculated against the true cost. The other advantage of accurate cost accounting is the ability to create a fee structure reflective of the true cost.

5. *Describe any evaluations of sharing positions between municipal and school areas, including Human Resources, IT, collections/receivables, etc. Include an update on the shared position of Facilities Director and the savings—if any—and services that have been provided.*

The Blue Ribbon Committee has been looking at this very issue. The town and the school have each provided information on the various positions to the committee for analysis. I do not think that there is any significant opportunity presently to consolidate services in IT, finance or human resources. However, we should continue to be receptive to opportunities for consolidation as technology and mission changes. The Facilities Director has been a great success. He has brought a systematic approach to building preventive maintenance that will be dividends for both the school and town in less accrued depreciation and higher energy efficiency.

6. *Describe any decreased hours of public service (e.g. police window for part of the year, Thursday mornings in Town Hall), and what impact that has financially, on workload, and any feedback from the public. Also describe any consideration of increasing the decreased hours, meaning any other days or parts of days some public*

counter might be closed to save FTE or improve efficiency without negatively impacting public service.

There has been no financial impact of the reduction in office openings for both Town Hall and the Police Department. I have been surprised also by how little, if any, complaints there have been relative to the Thursday morning Town Office closings. That time allows for the effected departments (Finance, Assessing, Town Clerk, Building, Planning, and Conservation) to hold staff meetings, conduct training and to focus upon projects that require some quiet time. From that perspective, the changes have been wildly successful. We have been able to schedule Sexual Harassment Training, Social Justice Training and MUNIS software training during the times the offices have been closed to the public. Staff at the Central Services counter have mitigated the effect on the public by working with those hardship cases arriving on Thursday mornings without knowledge of the closure.

Another change in work hours that has been received well and been very productive is the four, ten hour work days now in place at the DPW. This allows the work force to be divided into two, four day work teams with overlap on Tuesday, Wednesday and Thursday. This represents a cost savings in that there are only four paid lunches per employee each week rather than five and the time needed to set up and break down the work site daily is reduced from five to four. This is a classic win win for the Town and the employee.

Much of the information and activity conducted personally at Town Hall may now be done over the internet. Many people no longer want to come to Town Hall to access records (appraisers, bankers, and developers) and it is more energy efficient to provide that information electronically.

7. Are there problems of assessments in various categories (commercial properties, apartments, residential, or personal property) being too low because there aren't enough resources to update them?

No. The assessments of all classes are carried out in house and all classes meet the DOR requirements for equitable assessments. Some apartments may appear to be assessed low but this is due to the assessment guidelines for lower income rental properties so that they remain affordable.